

SECOND REGULAR SESSION

[P E R F E C T E D]

SENATE SUBSTITUTE FOR

SENATE BILL NO. 902

90TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR MATHEWSON.

Offered April 11, 2000.

Senate Substitute adopted, April 11, 2000.

Taken up for Perfection April 11, 2000. Bill declared Perfected and Ordered Printed, as amended.

TERRY L. SPIELER, Secretary.

4122S.05P

AN ACT

To repeal sections 313.008, 313.270, 313.805, 313.807, 313.812, 313.815, 313.817, 313.820, 313.822, 313.825, 313.827, 313.830 and 313.837, RSMo 1994, and sections 313.835 and 313.842, RSMo Supp. 1999, relating to gaming, and to enact in lieu thereof seventeen new sections relating to the same subject, with penalty provisions and an emergency clause for a certain section.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 313.008, 313.270, 313.805, 313.807, 313.812, 313.815, 313.817, 313.820, 313.822, 313.825, 313.827, 313.830 and 313.837, RSMo 1994, and sections 313.835 and 313.842, RSMo Supp. 1999, are repealed and seventeen new sections enacted in lieu thereof, to be known as sections 313.008, 313.270, 313.805, 313.807, 313.812, 313.815, 313.817, 313.820, 313.822, 313.825, 313.830, 313.833, 313.835, 313.837, 313.842, 313.843 and 313.918, to read as follows:

313.008. All revenue received by the commission from license fees, penalties, and administrative fees authorized under the provisions of sections 313.005 to 313.085 shall be deposited in the state treasury to the credit of the "Gaming Commission [Bingo] Fund" [which is hereby created for the sole purpose of funding the administrative costs of the commission relating to the regulation of bingo operations, subject to appropriation. Money deposited into this fund shall not be considered proceeds of bingo operations. Moneys deposited into the gaming commission bingo fund shall be considered state funds pursuant to article IV, section 15 of the

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Missouri Constitution. All interest received on the gaming commission bingo fund shall be credited to the gaming commission bingo fund.], **and upon appropriation may be used for the purposes specified in section 313.835. All unobligated funds in the gaming commission bingo fund on August 28, 2000, shall be transferred to the gaming commission fund and the gaming commission bingo fund shall be abolished on June 30, 2001.**

313.270. 1. The director, pursuant to rules and regulations issued by the commission, may directly purchase or lease such goods or services as are necessary for effectuating the purposes of sections 313.200 to 313.350, including procurements which integrate functions such as lottery game design, supply of goods and services, and advertising. The lottery commission by approved rule may purchase goods made in the [state of] **United States and sold by a Missouri business** to be given away as prizes within the provisions of section 313.321. Contracts shall be awarded to lottery contractors or lottery vendors on the basis of lowest and best bid on an evaluated basis in order to maximize revenues to the lottery fund. The director may also utilize state purchasing procedures. The director shall award at least ten percent of the aggregate dollar amount of all contracts to provide goods and services to the lottery to minority business enterprises as defined by the office of administration and shall award at least five percent of the aggregate dollar amount of all contracts to provide goods and services to the lottery to women business enterprises as defined by the office of administration. No contract awarded or entered into by the director may be assigned by the holder thereof except by specific approval of the commission.

2. Any contract awarded to any lottery contractor or vendor shall provide that such contractor or vendor shall award a minimum of ten percent of his subcontracted business to minority business enterprises as defined by the office of administration and shall award a minimum of five percent of his subcontracted business to women business enterprises as defined by the office of administration. This section shall not apply to multistate lottery.

3. Any lottery vendor which enters into a contract to supply lottery materials, services or equipment for use in the operation of the state lottery shall first disclose such information as the commission may require, by rule and regulation, concerning the selection of lottery vendors.

4. The costs of any investigation into the background of the applicant seeking a contract shall be assessed against the applicant and shall be paid by the applicant at the time of billing by the state.

5. Performance bonds shall be posted by each contractor with the commission with a surety acceptable to the commission in an amount as may be required by the commission, but not to exceed the expected total value of the contract. The contract of any lottery contractor who does not comply with such requirements may be terminated by the commission. The commission may terminate the contract of any lottery vendor who:

- (1) Is convicted of any felony;
- (2) Is convicted of any gambling-related offense;

- (3) Is convicted of any crime involving fraud or misrepresentation;
- (4) Fails to comply with the rules and regulations of the commission existing at the time the contract was entered into; or
- (5) Fails to periodically update any disclosure requirements.

6. The provisions in this section requiring that certain percentages of lottery contracts and subcontracts be awarded to businesses owned and controlled by women or ethnic and racial minorities shall expire on January 1, ~~[2000]~~ **2005**.

313.805. The commission shall have full jurisdiction over and shall supervise all gambling operations governed by sections 313.800 to 313.850. The commission shall have the following powers and shall promulgate rules and regulations to implement sections 313.800 to 313.850:

(1) To investigate applicants and determine the priority and eligibility of applicants for a license and to select among competing applicants for a license the applicant which best serves the interests of the citizens of Missouri;

(2) To license the operators of excursion gambling boats and operators of gambling games within such boats, to identify occupations within the excursion gambling boat operations which require licensing, and adopt standards for licensing the occupations including establishing fees for the occupational licenses and to license suppliers;

(3) To adopt standards under which all excursion gambling boat operations shall be held and standards for the facilities within which the gambling operations are to be held. Notwithstanding the provisions of chapter 311, RSMo, to the contrary, the commission may authorize the operation of gambling games on an excursion gambling boat which is also licensed to sell or serve alcoholic beverages, wine, or beer. The commission shall regulate the wagering structure for gambling excursions including providing a maximum loss of five hundred dollars per individual player per gambling excursion;

(4) To enter the premises of excursion gambling boats, facilities, or other places of business of a licensee within this state to determine compliance with sections 313.800 to 313.850;

(5) To investigate alleged violations of sections 313.800 to 313.850 or the commission rules, orders, or final decisions;

(6) To assess any appropriate administrative penalty against a licensee, including, but not limited to, suspension, revocation, and penalties of an amount as determined by the commission up to three times the highest daily amount of gross receipts derived from wagering on the gambling games, whether unauthorized or authorized, conducted during the previous twelve months as well as confiscation and forfeiture of all gambling game equipment used in the conduct of unauthorized gambling games. Forfeitures **[under]** **pursuant to** this section shall be enforced as provided **[under]** **in** sections 513.600 to 513.645, RSMo;

(7) To require a licensee, an employee of a licensee or holder of an occupational license to remove a person violating a provision of sections 313.800 to 313.850 or the commission rules,

orders, or final orders, or other person deemed to be undesirable from the excursion gambling boat or adjacent facilities;

(8) To require the removal from the premises of a licensee, an employee of a licensee, or a holder of an occupational license for a violation of sections 313.800 to 313.850 or a commission rule or engaging in a fraudulent practice;

(9) To require all licensees to file all financial reports required by rules and regulations of the commission;

(10) To issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records, and other pertinent documents, and to administer oaths and affirmations to the witnesses, when, in the judgment of the commission, it is necessary to enforce sections 313.800 to 313.850 or the commission rules;

(11) To keep accurate and complete records of its proceedings and to certify the records as may be appropriate;

(12) To ensure that the gambling games are conducted fairly. No gambling device shall be set to pay out less than eighty percent of all wagers;

(13) To require all licensees of gambling game operations to use a cashless wagering system whereby all players' money is converted to **physical or electronic** tokens, electronic cards, or chips which only can be used for wagering on the excursion gambling boat;

(14) To require excursion gambling boat licensees to develop a system, approved by the commission, that allows patrons the option to prohibit the excursion gambling boat licensee from using identifying information for marketing purposes. The provisions of this subdivision shall apply only to patrons giving identifying information for the first time or in instances where the excursion gambling boat licensee is reissuing a card, requesting additional information about the patron, or issuing another form of identification containing identifying information about the patron. Such systems shall be submitted to the commission by October 1, 2000 and approved by the commission by January 1, 2001. The excursion gambling boat licensee shall use identifying information obtained from patrons who have elected to have marketing blocked under the provisions of this section only for the purposes of enforcing the requirements contained in sections 313.800 to 313.850, RSMo. This section shall not prohibit the commission from accessing identifying information for the purposes of enforcing section 313.004 and sections 313.800 to 313.850, RSMo;

[(14)] **(15)** Determine which of the authorized gambling games will be permitted on any licensed excursion gambling boat;

[(15)] **(16)** Excursion gambling boats shall cruise, unless the commission finds that the best interest of Missouri and the safety of the public indicate the need for continuous docking of the excursion gambling boat in any city or county authorized [under] **pursuant to** subsection 10

of section 313.812. The commission shall base its decision to allow continuously docked excursion gambling boats on any of the following criteria: the docking location or the excursion cruise could cause danger to the boat's passengers, violate federal law or the law of another state, or cause disruption of interstate commerce or possible interference with railway or barge transportation. In addition, the commission shall consider economic feasibility or impact that would benefit land-based development and permanent job creation. The commission shall not discriminate among applicants for continuous docking excursion gambling that are similarly situated with respect to the criteria set forth in this section;

[(16)] **(17)** The commission shall render a finding concerning the possibility of continuous docking, as described in subdivision (15) of this section, within thirty days after a hearing on any request from an applicant or licensee. Such hearing may be held prior to any final action on licensing to assist an applicant and any city or county in the finalizing of their economic development plan;

(18) To require any applicant for a license or renewal of a license to operate an excursion gambling boat to provide an affirmative action plan which has as its goal the use of best efforts to achieve maximum employment of African-Americans and other minorities and maximum participation in the procurement of contractual purchases of goods and services. This provision shall be administered in accordance with all federal and state employment laws, including Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991. At license renewal, the licensee will report on the effectiveness of the plan. The commission shall include the licensee's reported information in its annual report to the joint committee on gaming and wagering;

[(17)] **(19)** To take any other action as may be reasonable or appropriate to enforce sections 313.800 to 313.850 and the commission rules.

313.807. 1. A person may apply to the commission for a license to conduct gambling games on an excursion gambling boat or to operate an excursion gambling boat as provided in sections 313.800 to 313.850. The application for such licenses shall be filed with the commission and shall identify the excursion gambling boat upon which gambling games will be authorized, shall specify the exact location where the excursion gambling boat will be docked, shall specify the extent of the land-based economic development or impact and an affirmative action plan for ownership, contracting and recruiting, training and hiring of minorities and women in all employment classifications for that area, a lease with a home dock city or county, or in lieu thereof a resolution adopted by a city or county supporting or opposing the docking and land-based economic development or impact plan of the operator, and shall be in a form and contain information as the commission prescribes. If a city or county fails to pass a resolution, such action shall not adversely affect the application which shall be deemed complete. The applicant for such license shall file with the application a nonrefundable fee of fifty thousand dollars or fifteen thousand dollars for

each person to be investigated, whichever amount is greater. The applicant shall be responsible for the total cost of the investigation. If the cost of the investigation exceeds the total amount of fees filed by the applicant in this subsection, the commission may assess additional fees as it deems appropriate; however, if the applicant is denied a license, the applicant shall be entitled to a refund of the difference between the application fee and the actual cost of the investigation. The initial license and first subsequent license renewal of an excursion gambling boat operator shall be for a period of one year. Thereafter, license renewal periods shall be two years. However, the commission may reopen licensing hearings at any time. The annual fee for anyone licensed **[under] pursuant to** this subsection shall be set by the commission at a minimum of twenty-five thousand dollars.

2. A person may apply to the commission for a license to conduct an occupation within excursion gambling boat operations which the commission has identified as requiring a license. The commission shall establish and charge holders of occupational licenses an annual license fee for each occupation in amounts determined appropriate by the commission and shall be charged each year the license is in effect. The commission shall set a nonrefundable filing fee to cover the cost of any investigation. Each applicant for a license **[under] pursuant to** this subsection shall annually file for a license.

3. A supplier shall annually apply for a license. The application fee shall be a nonrefundable amount set by the commission to cover the cost of any investigation. The annual fee for such license shall be set by the commission. The commission shall set all standards for equipment and supplies.

4. A licensee licensed to conduct gambling games shall acquire all gambling games or implements of gambling from a licensed supplier **or from a person or entity approved by the commission**. A licensee shall not sell or give gambling games or implements of gambling to another licensee **without the commission's prior written approval**. Any licensed supplier shall have a registered agent within this state.

5. The commission may issue a limited license to operate an excursion gambling boat as defined **[under] pursuant to** subdivision (7) of section 313.800 at a dock other than its home dock, if such city or county where such dock is located has approved gambling games on excursion gambling boats pursuant to subsection 10 of section 313.812.

313.812. 1. The commission may issue licenses pursuant to subsection 1 of section 313.807 when it is satisfied that the applicant has complied with all rules and regulations, including an update of all information provided to the commission in the licensee's initial application. The commission shall decide the number, location and type of excursion gambling boat in a city or county under subsection 10 of this section. The license shall set forth the name of the licensee, the type of license granted, the place where the excursion gambling boat will operate and dock, including the docking of an excursion gambling boat which is continuously docked, and other

information the commission deems appropriate. The commission shall have the ultimate responsibility of deciding the number, location, and type of excursion gambling boats licensed in a city or county. **When determining where to locate a licensed excursion gambling boat, the commission shall give priority to those cities and counties where no current excursion gambling exists;** however, any city or county which has complied with the provisions of subsection 10 of this section shall submit to the commission a plan outlining the following:

(1) The recommended number of licensed excursion gambling boats operating in such city or county;

(2) The recommended licensee or licensees operating in such city or county;

(3) The community's economic development or impact and affirmative action plan concerning minorities' and women's ownership, contracting and employment for the waterfront development;

(4) The city or county proposed sharing of revenue with any other municipality;

(5) Any other information such city or county deems necessary; and

(6) Any other information the commission may determine is necessary. The commission shall provide for due dates for receiving such plan from the city or county.

2. A license to operate an excursion gambling boat shall only be granted to an applicant upon the express conditions that:

(1) The applicant shall not, by a lease, contract, understanding, or arrangement of any kind, grant, assign, or turn over to a person the operation of an excursion gambling boat licensed under this section or of the system of wagering described in section 313.817. This section does not prohibit a management contract with a person licensed by the commission; and

(2) The applicant shall not in any manner permit a person other than the licensee and the management licensee to have a share, percentage, or proportion of the money received for admissions to the excursion gambling boat.

3. The commission shall require, as a condition of granting a license, that an applicant operate an excursion gambling boat which, as nearly as practicable, resembles or is a part of Missouri's or the home dock city's or county's riverboat history.

4. The commission shall encourage through its rules and regulations the use of Missouri resources, goods and services in the operation of any excursion gambling boat.

5. The excursion gambling boat shall provide for nongaming areas, food service and a Missouri theme gift shop. The amount of space used for gaming shall be determined in accordance with all rules and regulations of the commission and the United States Coast Guard safety regulations.

6. A license to operate gambling games or to operate an excursion gambling boat shall not be granted unless the applicant has, through clear and convincing evidence, demonstrated financial responsibility sufficient to meet adequately the requirements of the proposed enterprise.

7. [The] **Each** applicant shall establish by clear and convincing evidence its fitness to be licensed [if]. **Without limitation, the commission may deny a license based solely on the fact that** there is evidence that any of the following apply:

(1) The applicant has been suspended from operating an excursion gambling boat or a game of chance or gambling operation in another jurisdiction by a board or commission of that jurisdiction;

(2) The applicant is not the true owner of the enterprise proposed;

(3) The applicant is not the sole owner, and other persons have ownership in the enterprise, which fact has not been disclosed;

(4) The applicant is a corporation that is not publicly traded and ten percent or more of the stock of the corporation is subject to a contract or option to purchase at any time during the period for which the license is to be issued unless the contract or option was disclosed to the commission and the commission approved the sale or transfer during the period of the license;

(5) The applicant has knowingly made a false statement of a material fact to the commission; or

(6) The applicant has failed to meet a valid, bona fide monetary obligation in connection with an excursion gambling boat.

8. A license shall not be granted if the applicant has not established his good repute and moral character or if the applicant has pled guilty to, or has been convicted of, a felony. No licensee shall employ or contract with any person who has pled guilty to, or has been convicted of, a felony to perform any duties directly connected with the licensee's privileges under a license granted pursuant to this section, except that employees performing nongaming related occupations as determined by the commission shall be exempt from the requirements of this subsection.

9. A licensee shall not lend to any person money or any other thing of value for the purpose of permitting that person to wager on any gambling game authorized by law. This does not prohibit credit card or debit card transactions or cashing of checks. Any check cashed must be deposited within twenty-four hours. The commission may require licensees to verify a sufficient account balance exists before cashing any check. Any licensee who violates the provisions of this subsection shall be subject to an administrative penalty of five thousand dollars for each violation. Such administrative penalties shall be assessed and collected by the commission.

10. Gambling excursions including the operation of gambling games on an excursion gambling boat which is not continuously docked shall be allowed only on the Mississippi River and the Missouri River. No license to conduct gambling games on an excursion gambling boat in a city or county shall be issued unless and until the qualified voters of the city or county approve such activities pursuant to this subsection. The question shall be submitted to the qualified voters of the city or county at a general, primary or special election upon the motion of the governing body of the city or county or upon the petition of fifteen percent of the qualified voters of the city or

county determined on the basis of the number of votes cast for governor in the city or county at the last election held prior to the filing of the petition. The question shall be submitted in substantially the following form:

Shall the City (County) of allow the licensing of excursion gambling boats or floating facilities as now or hereafter provided by Missouri gaming law in the city (county)?

? YES

? NO

If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the commission may license excursion gambling boats in that city or county and such boats may operate on the Mississippi River and the Missouri River. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the question, then the commission shall not license such excursion gambling boats in such city or county unless and until the question is again submitted to and approved by a majority of the qualified voters of the city or county at a later election. Excursion gambling boats may only dock in a city or unincorporated area of a county which approves licensing of such excursion gambling boats pursuant to this subsection, but gambling operations may be conducted at any point on the Mississippi River or the Missouri River during an excursion. Those cities and counties which have approved by election pursuant to this subsection, except those cities or counties which have subsequently rejected by election, the licensing of any type of excursion gambling boats in the city or county prior to April 6, 1994, are exempt from any local election requirement of this section as such previous election shall have the same effect as if held after May 20, 1994.

11. If a docking fee is charged by a city or a county, a licensee operating an excursion gambling boat shall pay the docking fee prior to the start of the excursion season.

12. Any licensee shall not be delinquent in the payment of property taxes or other taxes or fees or in the payment of any other contractual obligation or debt due or owed to the state or a political subdivision of the state.

13. An excursion gambling boat licensed by the state shall meet all of the requirements of chapter 306, RSMo, and is subject to an inspection of its sanitary facilities to protect the environment and water quality by the commission or its designee before a license to operate an excursion gambling boat is issued by the commission. Licensed excursion gambling boats shall also be subject to such inspections during the period of the license as may be deemed necessary by the commission. The cost of such inspections shall be paid by the licensee.

14. A holder of any license shall be subject to imposition of penalties, suspension or revocation of such license, or [other action] **if the person is an applicant for licensure, the denial of the application**, for any act or failure to act by himself or his agents or employees, that is injurious to the public health, safety, morals, good order and general welfare of the people of the state of Missouri, or that would discredit or tend to discredit the Missouri gaming industry or the state of Missouri unless the licensee proves by clear and convincing evidence that it is not guilty

of such action. The commission shall take appropriate action against any licensee who violates the law or the rules and regulations of the commission. Without limiting other provisions of this subsection, the following acts or omissions may be grounds for such discipline:

(1) Failing to comply with or make provision for compliance with sections 313.800 to 313.850, the rules and regulations of the commission or any federal, state or local law or regulation;

(2) Failing to comply with any rule, order or ruling of the commission or its agents pertaining to gaming;

(3) Receiving goods or services from a person or business entity who does not hold a supplier's license but who is required to hold such license by the provisions of sections 313.800 to 313.850 or the rules and regulations of the commission;

(4) Being suspended or ruled ineligible or having a license revoked or suspended in any state of gaming jurisdiction;

(5) Associating with, either socially or in business affairs, or employing persons of notorious or unsavory reputation or who have extensive police records, or who have failed to cooperate with any officially constituted investigatory or administrative body and would adversely affect public confidence and trust in gaming;

(6) Employing in any gambling games operation or any excursion gambling boat operation, any person known to have been found guilty of cheating or using any improper device in connection with any gambling game;

(7) Use of fraud, deception, misrepresentation or bribery in securing any permit or license issued pursuant to sections 313.800 to 313.850;

(8) Obtaining or attempting to obtain any fee, charge, or other compensation by fraud, deception, or misrepresentation;

(9) Incompetence, misconduct, gross negligence, fraud, misrepresentation or dishonesty in the performance of the functions or duties regulated by sections 313.800 to 313.850.

313.815. A licensee licensed to operate gambling games under sections 313.800 to 313.850 shall post a bond or other form of surety from a firm licensed to conduct a surety business in this state, as approved by the commission, to the state of Missouri before the license is issued in a sum as the commission shall fix, with sureties approved by the commission. The bond or other form of surety approved by the commission shall be used to guarantee that the licensee faithfully makes the payments, keeps its books and records and makes reports, and conducts its gambling games in conformity with sections 313.800 to 313.850 and the rules adopted by the commission. **The bond or other form of surety may be used to guarantee the completion of any expansion or modification of a gaming facility in a time period which shall be three years from the effective date of this act. Failure to complete an approved expansion or modification of a gaming facility within such time period as aforesaid may be considered sufficient**

grounds for not renewing the license for that gaming facility. The bond or other form of surety approved by the commission shall not be canceled by a surety on less than thirty days' notice in writing to the commission. If a bond or other form of surety approved by the commission is canceled and the licensee fails to file a new bond or other form of surety approved by the commission with the commission in the required amount on or before the effective date of cancellation, the licensee's license shall be revoked. The total and aggregate liability of the surety on the bond or other form of surety approved by the commission is limited to the amount specified in the bond or other form of surety approved by the commission.

313.817. 1. Except as permitted in this section, the licensee licensed to operate gambling games shall permit no form of wagering on gambling games.

2. The licensee may receive wagers only from a person present on a licensed excursion gambling boat.

3. Wagering shall not be conducted with money or other negotiable currency. The licensee shall exchange the money of each wagerer for **electronic or physical** tokens, chips, or other forms of credit to be wagered on the gambling games. The licensee shall exchange the [gambling] tokens, chips, or other forms of wagering credit for money at the request of the wagerer.

4. A person under twenty-one years of age shall not make a wager on an excursion gambling boat and shall not be allowed in the area of the excursion boat where gambling is being conducted; provided that employees of the licensed operator of the excursion gambling boat who have attained eighteen years of age shall be permitted in the area in which gambling is being conducted when performing employment-related duties, except that no one under twenty-one years of age may be employed as a dealer or accept a wager on an excursion gambling boat. The governing body of a home dock city or county may restrict the age of entrance onto an excursion gambling boat by passage of a local ordinance.

5. A licensee shall only allow wagering and conduct gambling games at the times allowed by the commission.

6. It shall be unlawful for a person to present false identification to a licensee or a gaming agent in order to gain entrance to an excursion gambling boat, cash a check or verify that such person is legally entitled to be present on the excursion gambling boat. Any person who violates the provisions of this subsections shall be guilty of a class B misdemeanor.

313.820. 1. An excursion boat licensee shall pay to the commission an admission fee of two dollars for each person embarking on an excursion gambling boat with a ticket of admission, **one dollar of such fee shall be deposited to the credit of the gaming commission fund as authorized pursuant to section 313.835**, and one dollar of such fee shall not be considered state funds and shall be paid to the home dock city or county. **Subject to appropriation, one cent of such fee deposited to the credit of the gaming commission may be deposited to the**

credit of the compulsive gamblers fund created pursuant to the provisions of section 313.842. Nothing in this section shall preclude any licensee from charging any amount deemed necessary for a ticket of admission to any person embarking on an excursion gambling boat. If tickets are issued which are good for more than one excursion, the admission fee shall be paid to the commission for each person using the ticket on each excursion that the ticket is used. If free passes or complimentary admission tickets are issued, the excursion boat licensee shall pay to the commission the same fee upon these passes or complimentary tickets as if they were sold at the regular and usual admission rate; however, the excursion boat licensee may issue fee-free passes to actual and necessary officials and employees of the licensee or other persons actually working on the excursion gambling boat. The issuance of fee-free passes is subject to the rules of the commission, and a list of all persons to whom the fee-free passes are issued shall be filed with the commission.

2. All licensees are subject to all income taxes, sales taxes, earnings taxes, use taxes, property taxes or any other tax or fee now or hereafter lawfully levied by any political subdivision; however, no other license tax, permit tax, occupation tax, excursion fee, or taxes or fees shall be imposed, levied or assessed exclusively upon licensees by a political subdivision. All state taxes not connected directly to gambling games shall be collected by the department of revenue. Notwithstanding the provisions of section 32.057, RSMo, to the contrary, the department of revenue may furnish and the commission may receive tax information to determine if applicants or licensees are complying with the tax laws of this state; however, any tax information acquired by the commission shall not become public record and shall be used exclusively for commission business.

313.822. A tax is imposed on the adjusted gross receipts received from gambling games authorized **[under] pursuant to** sections 313.800 to 313.850 at the rate of twenty percent. The taxes imposed by this section shall be returned to the commission in accordance with the commission's rules and regulations who shall transfer such taxes to the director of revenue. All checks and drafts remitted for payment of these taxes and fees shall be made payable to the director of revenue. If the commission is not satisfied with the return or payment made by any licensee, it is hereby authorized and empowered to make an assessment of the amount due based upon any information within its possession or that shall come into its possession. Any licensee against whom an assessment is made by the commission may petition for a reassessment. The request for reassessment shall be made within **[ten] twenty** days from the date the assessment was mailed or delivered to the licensee, whichever is earlier. Whereupon the commission shall give notice of a hearing for reassessment and fix the date upon which the hearing shall be held. The assessment shall become final if a request for reassessment is not received by the commission within the **[ten] twenty** days. Except as provided in this section, on and after April 29, 1993, all functions incident to the administration, collection, enforcement, and operation of the

tax imposed by sections 144.010 to 144.525, RSMo, shall be applicable to the taxes and fees imposed by this section.

(1) Each excursion gambling boat shall designate a city or county as its home dock. The home dock city or county may enter into agreements with other cities or counties authorized **[under] pursuant to** subsection 10 of section 313.812 to share revenue obtained **[under] pursuant to** this section. The home dock city or county shall receive ten percent of the adjusted gross receipts tax collections, as levied **[under] pursuant to** this section, for use in providing services necessary for the safety of the public visiting an excursion gambling boat. Such home dock city or county shall annually submit to the commission a shared revenue agreement with any other city or county. All moneys owed the home dock city or county shall be deposited and distributed to such city or county in accordance with rules and regulations of the commission. All revenues provided for in this section to be transferred to the governing body of any city not within a county and any city with a population of over three hundred fifty thousand inhabitants shall not be considered state funds and shall be deposited in such city's general revenue fund to be expended as provided for in this section.

(2) The remaining amount of the adjusted gross receipts tax shall be deposited in the state treasury to the credit of the "Gaming Proceeds for Education Fund" which is hereby created in the state treasury. Moneys deposited in this fund shall be considered the proceeds of excursion boat gambling and state funds pursuant to article IV, section 15 of the Missouri Constitution. All interest received on the gaming proceeds for education fund shall be credited to the gaming proceeds for education fund. Appropriation of the moneys deposited into the gaming proceeds for education fund shall be pursuant to state law.

313.825. In accordance with the rules established by the commission, after the end of each calendar quarter, the licensee shall transmit to the commission an audit of compliance and of the financial transactions and condition of the licensee's total operations for the calendar quarter. Any audits shall be conducted by certified public accountants registered or licensed in the state of Missouri under chapter 326, RSMo, and **[selected] approved** by the commission. The compensation for each certified public accountant shall be paid directly by the licensee to the certified public accountant.

[313.827. The commission shall make an annual report to the governor and general assembly, for the period ending December thirty-first of each year. Included in the report shall be an account of the commission's actions, its financial position and results of operation and any recommendations for legislation which the commission deems advisable.]

313.830. 1. A person is guilty of a class D felony for any of the following:

(1) Operating a gambling excursion where wagering is used or to be used without a license issued by the commission;

(2) Operating a gambling excursion where wagering is permitted other than in the manner specified by section 313.817; or

(3) Acting, or employing a person to act, as a shill or decoy to encourage participation in a gambling game.

2. A person [permitting a person under the age of twenty-one years to make a wager is guilty of a class B misdemeanor.] **is guilty of a class B misdemeanor for the first offense and a class A misdemeanor for the second and subsequent offenses for any of the following:**

(1) Permitting a person under the age of twenty-one to make a wager while on an excursion gambling boat;

(2) Making or attempting to make a wager while on an excursion gambling boat when such person is under the age of twenty-one years; or

(3) Aiding a person who is under the age of twenty-one in entering an excursion gambling boat or in making an attempt to make a wager while on an excursion gambling boat.

3. A person wagering or accepting a wager at any location outside the excursion gambling boat is in violation of section 572.040, RSMo.

4. A person commits a class D felony and, in addition, shall be barred for life from excursion gambling boats under the jurisdiction of the commission, if the person:

(1) Offers, promises, or gives anything of value or benefit to a person who is connected with an excursion gambling boat operator including, but not limited to, an officer or employee of a licensee or holder of an occupational license pursuant to an agreement or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to whom the offer, promise, or gift was made in order to affect or attempt to affect the outcome of a gambling game, or to influence official action of a member of the commission;

(2) Solicits or knowingly accepts or receives a promise of anything of value or benefit while the person is connected with an excursion gambling boat including, but not limited to, an officer or employee of a licensee, or holder of an occupational license, pursuant to an understanding or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to affect or attempt to affect the outcome of a gambling game, or to influence official action of a member of the commission;

(3) Uses a device to assist in any of the following:

(a) In projecting the outcome of the game;

(b) In keeping track of the cards played;

(c) In analyzing the probability of the occurrence of an event relating to the gambling game; or

(d) In analyzing the strategy for playing or betting to be used in the game, except as

permitted by the commission;

(4) Cheats at a gambling game;

(5) Manufactures, sells, or distributes any cards, chips, dice, game or device which is intended to be used to violate any provision of sections 313.800 to 313.850;

(6) Instructs a person in cheating or in the use of a device for that purpose with the knowledge or intent that the information or use conveyed may be employed to violate any provision of sections 313.800 to 313.850;

(7) Alters or misrepresents the outcome of a gambling game on which wagers have been made after the outcome is made sure but before it is revealed to the players;

(8) Places a bet after acquiring knowledge, not available to all players, of the outcome of the gambling game which is the subject of the bet or to aid a person in acquiring the knowledge for the purpose of placing a bet contingent on that outcome;

(9) Claims, collects, or takes, or attempts to claim, collect, or take, money or anything of value in or from the gambling games, with intent to defraud, without having made a wager contingent on winning a gambling game, or claims, collects, or takes an amount of money or thing of value of greater value than the amount won;

(10) Knowingly entices or induces a person to go to any place where a gambling game is being conducted or operated in violation of the provisions of sections 313.800 to 313.850 with the intent that the other person plays or participates in that gambling game;

(11) Uses counterfeit chips or tokens in a gambling game;

(12) Knowingly uses, other than chips, tokens, coin, **[or] of** other methods of credit approved by the commission, legal tender of the United States of America, or to use coin not of the denomination as the coin intended to be used in the gambling games;

(13) Has in the person's possession any device intended to be used to violate a provision of sections 313.800 to 313.850; **[or]**

(14) Has in the person's possession, except a gambling licensee or employee of a gambling licensee acting in furtherance of the employee's employment, any key or device designed for the purpose of opening, entering, or affecting the operation of a gambling game, drop box, or an electronic or mechanical device connected with the gambling game or for removing coins, tokens, chips or other contents of the gambling game; **or**

(15) Knowingly makes a false statement of any material fact to the commission, its agents or employees.

5. The possession of one or more of the devices described in subdivision (3), (5), (13) or (14) of subsection 4 of this section permits a rebuttable inference that the possessor intended to use the devices for cheating.

6. Except for wagers on gambling games or exchanges for money as provided in section 313.817, a licensee who exchanges tokens, chips, or other forms of credit to be used on gambling

games for anything of value commits a class B misdemeanor.

7. If the commission determines that reasonable grounds to believe that a violation of sections 313.800 to 313.850 has occurred or is occurring which is a criminal offense, the commission shall refer such matter to both the state attorney general and the prosecuting attorney or circuit attorney having jurisdiction. The state attorney general and the prosecuting attorney or circuit attorney with such jurisdiction shall have concurrent jurisdiction to commence actions for violations of sections 313.800 to 313.850 where such violations have occurred.

8. Venue for all crimes committed on an excursion gambling boat shall be the jurisdiction of the home dock city or county or such county where a home dock city is located.

313.833. The commission may promulgate rules allowing a person that is a problem gambler to voluntarily exclude him/herself from an excursion gambling boat. Any person that has been self-excluded is guilty of trespassing in the first degree pursuant to section 569.140, RSMo, if such person enters an excursion gambling boat. Any person that has been excluded by the commission from excursion gambling boats shall forfeit all chips, tokens and electronic gaming credits in their possession at the time they are discovered on the excursion gambling boat. The commission shall establish by rule and regulation the procedure for such forfeitures.

313.835. 1. All revenue received by the commission from license fees, penalties, administrative fees, reimbursement by any excursion gambling boat operators for services provided by the commission and admission fees authorized pursuant to the provisions of sections 313.800 to 313.850, **except that portion of the admission fee, not to exceed one cent, that may be appropriated to the compulsive gamblers fund as provided in section 313.820,** shall be deposited in the state treasury to the credit of the "Gaming Commission Fund" which is hereby created for the sole purpose of funding the administrative costs of the commission, subject to appropriation. Moneys deposited into this fund shall not be considered proceeds of gambling operations. Moneys deposited into the gaming commission fund shall be considered state funds pursuant to article IV, section 15 of the Missouri Constitution. All interest received on the gaming commission fund shall be credited to the gaming commission fund. In each fiscal year, total revenues to the gaming commission fund for the preceding fiscal year shall be compared to total expenditures and transfers from the gaming commission fund for the preceding fiscal year. The remaining net proceeds in the gaming commission fund shall be distributed in the following manner:

(1) The first five hundred thousand dollars shall be appropriated on a per capita basis to cities and counties that match the state portion and have demonstrated a need for funding community neighborhood organization programs for the homeless and to deter gang-related violence and crimes;

(2) The remaining net proceeds in the gaming commission fund for fiscal year 1998 and

prior years shall be transferred to the "Veterans' Commission Capital Improvement Trust Fund", as hereby created in the state treasury. The state treasurer shall administer the veterans' commission capital improvement trust fund, and the moneys in such fund shall be used solely, upon appropriation, by the Missouri veterans' commission for:

(a) The construction, maintenance or renovation or equipment needs of veterans' homes in this state;

(b) The construction, maintenance, renovation, equipment needs and operation of veterans' cemeteries in this state;

(c) Fund transfers to Missouri veterans' homes fund established pursuant to the provisions of section 42.121, RSMo, as necessary to maintain solvency of the fund; and

(d) Fund transfers to any municipality with a population greater than four hundred thousand and located in part of a county with a population greater than six hundred thousand in this state which has established a fund for the sole purpose of the restoration, renovation and maintenance of a memorial or museum or both dedicated to World War I. Appropriations from the veterans' commission capital improvement trust fund to such memorial fund shall be provided only as a one-time match for other funds devoted to the project and shall not exceed five million dollars. Additional appropriations not to exceed **[two] ten** million dollars total may be made from the veterans' commission capital improvement trust fund as a match to other funds for the **new construction or** renovation of other facilities dedicated as veterans' memorials in the state. All appropriations for renovation, **new construction**, reconstruction, and maintenance of veterans' memorials shall be made only for applications received by the Missouri veterans' commission prior to July 1, **[2000] 2004**. Any interest which accrues to the fund shall remain in the fund and shall be used in the same manner as moneys which are transferred to the fund pursuant to this section. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, moneys in the veterans' commission capital improvement trust fund at the end of any biennium shall not be transferred to the credit of the general revenue fund;

(3) The remaining net proceeds in the gaming commission fund for fiscal year 1999 and each fiscal year thereafter shall be distributed as follows:

(a) Three million dollars shall be transferred to the veterans' commission capital improvement trust fund;

(b) Three million dollars shall be transferred to the Missouri national guard trust fund created in section 41.214, RSMo;

(c) Three million dollars shall be transferred to the Missouri college guarantee fund, established pursuant to the provisions of section 173.248, RSMo, and additional moneys as annually appropriated by the general assembly shall be appropriated to such fund;

(d) Subject to appropriations, one hundred percent of remaining net proceeds in the gaming commission fund except as provided in paragraph (l) of this subdivision, shall be

transferred to the "Early Childhood Development, Education and Care Fund" which is hereby created to give parents meaningful choices and assistance in choosing the child-care and education arrangements that are appropriate for their family. All interest received on the fund shall be credited to the fund. Notwithstanding the provisions of section 33.080, RSMo, moneys in the fund at the end of any biennium shall not be transferred to the credit of the general revenue fund. Any moneys deposited in such fund shall be used to support programs that prepare children prior to the age in which they are eligible to enroll in kindergarten, pursuant to section 160.053, RSMo, to enter school ready to learn. All moneys deposited in the early childhood development, education and care fund shall be annually appropriated for voluntary, early childhood development, education and care programs serving children in every region of the state not yet enrolled in kindergarten;

(e) No less than sixty percent of moneys deposited in the early childhood development, education and care fund shall be appropriated as provided in this paragraph to the department of elementary and secondary education and to the department of social services to provide early childhood development, education and care programs through competitive grants to, or contracts with, governmental or private agencies. Eighty percent of such moneys pursuant to the provisions of this paragraph and additional moneys as appropriated by the general assembly shall be appropriated to the department of elementary and secondary education and twenty percent of such moneys pursuant to the provisions of this paragraph shall be appropriated to the department of social services. The departments shall provide public notice and information about the grant process to potential applicants.

a. Grants or contracts may be provided for:

(i) Start-up funds for necessary materials, supplies, equipment and facilities; and

(ii) Ongoing costs associated with the implementation of a sliding parental fee schedule based on income;

b. Grant and contract applications shall, at a minimum, include:

(i) A funding plan which demonstrates funding from a variety of sources including parental fees;

(ii) A child development, education and care plan that is appropriate to meet the needs of children;

(iii) The identity of any partner agencies or contractual service providers;

(iv) Documentation of community input into program development;

(v) Demonstration of financial and programmatic accountability on an annual basis;

(vi) Commitment to state licensure within one year of the initial grant, if funding comes from the appropriation to the department of elementary and secondary education and commitment to compliance with the requirements of the department of social services, if funding comes from the department of social services; and

(vii) With respect to applications by public schools, the establishment of a parent advisory committee within each public school program;

c. In awarding grants and contracts pursuant to this paragraph, the departments may give preference to programs which:

(i) Are new or expanding programs which increase capacity;

(ii) Target geographic areas of high need, namely where the ratio of program slots to children under the age of six in the area is less than the same ratio statewide;

(iii) Are programs designed for special needs children;

(iv) Are programs that offer services during nontraditional hours and weekends; or

(v) Are programs that serve a high concentration of low-income families;

d. Beginning on August 28, 1998, the department of elementary and secondary education and the department of social services shall initiate and conduct a four-year study to evaluate the impact of early childhood development, education and care in this state. The study shall consist of an evaluation of children eligible for moneys pursuant to this paragraph, including an evaluation of the early childhood development, education and care of those children participating in such program and those not participating in the program over a four-year period. At the conclusion of the study, the department of elementary and secondary education and the department of social services shall, within ninety days of conclusion of the study, submit a report to the general assembly and the governor, with an analysis of the study required pursuant to this subparagraph, all data collected, findings, and other information relevant to early childhood development, education and care;

(f) No less than ten percent of moneys deposited in the early childhood development, education and care fund shall be appropriated to the department of social services to provide early childhood development, education and care programs through child development, education and care certificates to families whose income does not exceed one hundred eighty-five percent of the federal poverty level in the manner pursuant to 42 U.S.C. 9858c(c)(2)(A) and 42 U.S.C. 9858n(2) for the purpose of funding early childhood development, education and care programs as approved by the department of social services. At a minimum, the certificate shall be of a value per child which is commensurate with the per child payment under item (ii) of subparagraph a. of paragraph (e) of this subdivision pertaining to the grants or contracts. On February first of each year the department shall certify the total amount of child development, education and care certificates applied for and the unused balance of the funds shall be released to be used for supplementing the competitive grants and contracts program authorized pursuant to paragraph (e) of this subdivision;

(g) No less than ten percent of moneys deposited in the early childhood development, education and care fund shall be appropriated to the department of social services to increase reimbursements to child care facilities for low-income children that are accredited by a recognized,

early childhood accrediting organization;

(h) No less than ten percent of the funds deposited in the early childhood development, education and care fund shall be appropriated to the department of social services to provide assistance to eligible parents whose family income does not exceed one hundred eighty-five percent of the federal poverty level who wish to care for their children under three years of age in the home, to enable such parent to take advantage of early childhood development, education and care programs for such parent's child or children. At a minimum, the certificate shall be of a value per child which is commensurate with the per child payment under item (ii) of subparagraph a. of paragraph (e) of this subdivision pertaining to the grants or contracts. The department of social services shall provide assistance to these parents in the effective use of early childhood development, education and care tools and methods;

(i) In setting the value of parental certificates under paragraph (f) of this subdivision and payments under paragraph (h) of this subdivision, the department of social services may increase the value based on the following:

a. The adult caretaker of the children successfully participates in the parents as teachers program pursuant to the provisions of sections 178.691 to 178.699, RSMo, a training program provided by the department on early childhood development, education and care, the home-based Head Start program as defined in 42 U.S.C. 9832 or a similar program approved by the department;

b. The adult caretaker consents to and clears a child abuse or neglect screening pursuant to subdivision (1) of subsection 2 of section 210.152, RSMo; and

c. The degree of economic need of the family;

(j) The department of elementary and secondary education and the department of social services each shall by rule promulgated pursuant to chapter 536, RSMo, establish guidelines for the implementation of the early childhood development, education and care programs as provided in paragraphs (e) through (i) of this subdivision;

(k) Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is promulgated under the authority delegated in paragraph (j) of this subdivision shall become effective only if the agency has fully complied with all of the requirements of chapter 536, RSMo, including but not limited to, section 536.028, RSMo, if applicable, after August 28, 1998. All rulemaking authority delegated prior to August 28, 1998, is of no force and effect and repealed as of August 28, 1998, however, nothing in this section shall be interpreted to repeal or affect the validity of any rule adopted or promulgated prior to August 28, 1998. If the provisions of section 536.028, RSMo, apply, the provisions of this section are nonseverable and if any of the powers vested with the general assembly pursuant to section 536.028, RSMo, to review, to delay the effective date, or to disapprove and annul a rule or portion of a rule are held unconstitutional or invalid, the purported grant of rulemaking authority and any rule so proposed and contained in

the order of rulemaking shall be invalid and void, except that nothing in this act shall affect the validity of any rule adopted and promulgated prior to August 28, 1998;

(l) When the remaining net proceeds, as such term is used pursuant to paragraph (d) of this subdivision, in the gaming commission fund annually exceeds twenty-seven million dollars, one and one-half million dollars of such proceeds shall be transferred annually, subject to appropriation, to the Missouri college guarantee fund, established pursuant to the provisions of section 173.248, RSMo.

2. Upon request by the veterans' commission, the general assembly may appropriate moneys from the veterans' commission capital improvements trust fund to the Missouri national guard trust fund to support the activities described in section 41.958, RSMo.

313.837. The commission shall report to the general assembly [on September 1, 1993, and] every [January fifteenth thereafter] **October first**, the number of excursion gambling boat licenses which the commission has issued, the status of the competitiveness of Missouri excursion gambling boats when compared to the gaming tax rate of adjoining states and the effects of loss of limits imposed by subdivision (3) of section 313.805 on the competitiveness of the gaming industry in Missouri. The report shall contain any recommendations for changes in the adjusted gross receipts tax rate as provided in section 313.822, **an account of the commission's actions, its financial position and results of operation and any recommendations for legislation which the commission deems advisable.**

313.842. There may be established [an outpatient center] **programs** which shall provide **treatment, prevention and education** services for compulsive [gamblers and their families] **gambling**. As used in this section, "compulsive [gambler] **gambling**" means a **condition suffered by a person** who is chronically and progressively preoccupied with gambling and the urge to gamble. [Such centers] **Subject to appropriation, such programs shall be funded from the one cent admission fee authorized pursuant to section 313.820, and in addition,** may be funded from the taxes collected and distributed to any city or county under section 313.822. Such moneys shall be submitted to the state and credited to the "Compulsive Gamblers Fund", which is hereby established within the department of mental health. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, moneys in the fund at the end of any biennium shall not be transferred to the credit of the general revenue fund. The department of mental health shall administer all programs, either directly or by contract, for compulsive gamblers.

313.843. Any excursion gambling boat, as defined in section 313.800, may offer child care services for its employees if licensed by the department of health pursuant to sections 210.201 through 210.259, RSMo. No child care services may be offered for children of excursion gambling boat patrons. Unless said child care:

(1) Is licensed;

(2) Is separated as to sight and sound from the gaming activity;

(3) Closes no later than 11:00 p.m.

313.918. 1. As used in this section, the following terms shall mean:

(1) "Bona fide member", a member of an organization recognized as charitable or religious pursuant to section 501(c)(3) or section 501(d) of the Internal Revenue Code, who has paid all required dues of the organization, who is eighteen years of age or older, who has equal voting rights with all other members, who has an equal opportunity to be an elected officer, who has equal rights and responsibilities of attendance at the regularly scheduled meetings of the organization, whose name and membership origination date appear with the member's knowledge and consent on a list of members of the organization, and who has been a member of the organization for at least six months;

(2) "Charitable organization", a not-for-profit organization recognized as charitable pursuant to section 501(c)(3) of the Internal Revenue Code;

(3) "Commission", the Missouri gaming commission;

(4) "Gross receipts", all receipts from the sale of raffles and any miscellaneous items associated with a raffle, excluding concessions;

(5) "Person", any individual, corporation, partnership, firm, association, limited liability company, organization, or other entity;

(6) "Prize", cash, gift certificate or item of personal property which shall be valued at its fair market value in a manner determined by the commission;

(7) "Raffle", a game in which tickets bearing a unique individual number are sold for good and valuable consideration and in which a prize or prizes are awarded on the basis of a random drawing from the tickets by the person or persons conducting the game, when the game is conducted by a charitable or religious organization, and when no person other than a bona fide member of the organization takes part in the conduct, management or operation of the game. A raffle does not include any gambling scheme which uses any mechanical, computer, electronic, or video gaming device which has the capability of awarding something of value, free games redeemable for something of value, or tickets or stubs redeemable for something of value;

(8) "Religious organization", a not-for-profit organization recognized as religious pursuant to section 501(c)(3) or section 501(d) of the Internal Revenue Code;

(9) "Supplies", materials only used solely and directly for raffles and sweepstakes purchased from a supplier licensed by the commission in the manner provided for bingo suppliers pursuant to section 313.057;

(10) "Sweepstakes", a legal contest or game in which a prize is distributed by lot or by chance and does not require participants to give good and valuable consideration in order to participate and win.

2. Charitable or religious organizations, organized primarily for purposes other

than the conduct of raffles, are hereby authorized to conduct raffles without obtaining a license from the commission when such raffles are held in accordance with this section, other applicable laws, and the rules of the commission and when the value of all prizes from all such raffles held by the organization during the calendar year do not exceed five thousand dollars and the organization conducts no more than four raffles per calendar year. The charitable or religious organization may conduct multiple raffles once per calendar year in conjunction with a fair, festival, carnival or other event provided that the value of all prizes for all raffles conducted by the organization for the calendar year do not exceed five thousand dollars. Charitable or religious organizations conducting raffles without a license pursuant to this subsection are subject to the following restrictions:

(1) The books, paperwork, documents, rules and other materials used to conduct the raffle or raffles or related to raffles shall be open to inspection by the commission at any time;

(2) The premises on which the raffle is conducted shall be open to inspection by the commission at any time;

(3) Only bona fide members of the charitable or religious organization who are not paid for such services may participate in the conduct, management or operation of the raffle;

(4) All revenue from the raffle, after deducting the cost of prizes and supplies, shall be devoted solely to the charitable or religious purposes for which the organization qualifies as a charitable or religious organization;

(5) The organization conducting the raffle shall maintain records for a period of two years from the date each raffle is conducted which accurately show the gross receipts from each raffle, the uses to which those receipts have been put, the value of prizes awarded, and the names of persons to whom prizes have been awarded unless such prize is valued at less than one hundred dollars;

(6) A statement from the person responsible for managing the conduct of each raffle made available to the commission attesting that he or she has not pled guilty to or been convicted of a felony and has not pled guilty to or been convicted of any offense related to gambling;

(7) No person may participate in the management, conduct or operation of the raffle that meets the criteria set forth in subdivisions (1) through (8) of subsection 1 of section 313.035;

(8) The commission may impose a fine in an amount not to exceed one thousand dollars against any organization failing to comply with the provisions of this section; and

(9) Any organization that is discovered to have conducted a raffle without a

license when a license was required to have been obtained, shall pay to the commission a fine, to be determined by the commission but not to exceed three times the amount of taxes that should have been paid pursuant to subsection 4 of this section.

3. A charitable or religious organization shall only be authorized to conduct a raffle or multiple raffles with annual prizes for all such raffles conducted by the organization valued in excess of five thousand dollars if such organization applies for and receives a license from the commission. The commission shall issue the license upon clear and convincing evidence that the organization is qualified and suitable for licensure, and upon receipt of a nonrefundable application fee of fifty dollars. Such evidence shall include a copy of the document from the Internal Revenue Service which grants the applicant tax-exempt status and a federal identification number, a copy of the articles of incorporation and certificate of incorporation, if applicable, and a statement as to whether the organization has had any previous application refused, revoked or suspended and other evidence required by the commission. The application form for licensure shall contain such information and be in a form as prescribed by the commission. Licensees shall be subject to the following provisions:

(1) An amount equal to at least fifty percent of the gross receipts from any raffle conducted by a charitable or religious organization whose prize exceeds fifteen thousand dollars shall be awarded as prizes, provided that prizes that are donated to the organization for use in the conduct of the raffle shall be valued at a fair market rate as determined by the commission;

(2) All licensees are required to keep the application information required by this section current. Any changes in the information submitted in the application shall be reported to the commission within thirty days. Failure to report such changes may be cause for discipline;

(3) Proceeds from the conduct of raffles shall not be used to pay for leasing or owning the premises where the raffle is conducted. Licensees shall provide to the commission, by March first of each year, a detailed statement of revenue and expenses for each raffle conducted during the previous calendar year;

(4) All revenue from the raffle, after deducting the cost of prizes and supplies, shall be devoted solely to the charitable or religious purposes for which the organization qualifies as a charitable or religious organization;

(5) Licensees shall provide additional information as reasonably requested by the commission;

(6) In addition to the license and fees required by this section, the licensee shall notify the commission of each subsequent raffle or sweepstakes event on forms provided by the commission at least ten days prior to the commencement of such event. The forms shall be accompanied by an event fee set by the commission not to

exceed twenty-five dollars;

(7) Licensees shall acquire all supplies used for the conduct of the raffle from a supplier licensed by the commission;

(8) A holder of any license shall be subject to imposition of penalties, exclusion from the management, conduct or operation of charity games, suspension or revocation of any license, if applicable, or other action for any act or failure to act by himself or his agents or employees, that is injurious to the public health, safety, good order and general welfare of the people of the state of Missouri, or that would discredit or tend to discredit charitable gaming operations in the state of Missouri unless the person proves by clear and convincing evidence that he or she is not guilty of such action. The commission shall take appropriate action against any licensee or person who violates the law or the rules and regulations of the commission. Without limiting other provisions of this section, the following acts or omissions may be grounds for such discipline:

(a) Failing to comply with or make provision for compliance with the provisions of this section, the rules and regulations of the commission or any federal, state or local law or regulation;

(b) Failing to comply with any rule, order or ruling of the commission or its agents pertaining to charitable raffles or sweepstakes;

(c) Receiving or purchasing goods or services from a person or business entity who does not hold a supplier's license issued pursuant to this section;

(d) Association with, either socially or in business affairs, or employing persons of notorious or unsavory reputation or who have extensive police records, or who have failed to cooperate with any officially constituted investigatory or administrative body and would adversely affect public confidence and trust in gaming;

(e) Employing in any charity gaming operation any person known to have been found guilty of cheating or using any improper device in connection with any charity game;

(f) Use of fraud, deception, misrepresentation or bribery in securing any permit or license issued pursuant to the provisions of this section;

(g) Obtaining or attempting to obtain any fee, charge, or other compensation by fraud, deception, or misrepresentation;

(h) Incompetence, misconduct, gross-negligence, fraud, misrepresentation or dishonesty in the performance of the functions or duties regulated by the provisions of this section.

4. A tax is hereby imposed on all organizations required to be licensed by subsection 3 of this section in the amount of two percent of the value of all prizes awarded in conjunction with all raffles, to be paid in a manner prescribed by the

commission.

5. Charitable or religious organizations are hereby authorized to conduct sweepstakes without obtaining a license from the commission when such sweepstakes are held in accordance with this subsection, other applicable laws, and rules of the commission. Charitable or religious organizations conducting sweepstakes pursuant to this subsection are subject to the following restrictions:

(1) The books, paperwork, documents, rules and other materials used to conduct the sweepstakes or related to the sweepstakes shall be open to inspection by the commission at any time;

(2) The premises on which the sweepstakes are conducted shall be open to inspection by the commission at any time;

(3) Only bona fide members of the charitable or religious organization who are not paid for such services may participate in the conduct, management or operation of the sweepstakes;

(4) Sweepstakes participants may not be required to give any thing of value in order to participate and win. Charitable or religious organizations conducting sweepstakes shall inform participants, in a prominent manner, that nothing of value is required to participate and win; and

(5) The person responsible for managing the conduct of each sweepstakes shall provide to the commission a statement attesting that he or she has not pled guilty to or been convicted of a felony and has not pled guilty to or been convicted of any offense related to gambling.

6. Any person who, with intent to defraud another person, makes, alters, forges, or counterfeits any raffle ticket, sweepstakes claim or other device used in conjunction with a raffle or sweepstakes that could affect the outcome of the raffle or sweepstakes, or who has in possession any forged, spurious, or altered raffle ticket or sweepstakes claim with the intent of, or with the result of, depriving another person of valuable consideration, is guilty of a class D felony.

7. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is promulgated under the authority delegated in this section shall become effective only if it has been promulgated pursuant to the provisions of chapter 536, RSMo. Nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to the effective date of this section if it fully complied with the provisions of chapter 536, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after the effective date of this section shall be invalid

and void.

8. Any person who violates any provisions of subsection 3 of this section shall be guilty of a class A misdemeanor.

Section B. Because of the immediate need to implement safeguards in the establishment and operation of raffles and sweepstakes as authorized by constitutional amendment, section 313.918 of this act is deemed necessary for the immediate preservation of the public health, welfare, peace and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and section 313.918 of this act shall be in full force and effect upon its passage and approval.

Unofficial

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